

Remember pension re-enrolment

Every three years employers must re-enrol any staff who have opted out of their pension scheme. Small and micro employers now have to comply with these requirements for the first time.

October marked the seventh anniversary of the start of workplace pension auto-enrolment, with 85% of eligible private sector employees now enrolled according to recently published figures.

However, according to The Pensions Regulator only 82 per cent of “micro” employers were fully aware of their obligations in regards to auto-enrolment, compared to 88 per cent in 2018. It is concerned that some employers are failing to complete re-enrolment correctly with the risk of incurring a fine, and so has now launched a new online re-enrolment tool to make the process clearer.

Steve Webb, director of policy at Royal London and former pensions minister commented that:

“Auto-enrolment has been a huge success story, but it is vital that the momentum is maintained. The government must sustain publicity around automatic enrolment, especially targeted at employers, if the programme is to continue to be a success.”

For clarity the re-enrolment date is the three year anniversary from your business’s original staging date, but there is a three month leeway either side of this date. You can check using the re-enrolment date tool.

Re-enrolling employees

Employers must check whether they have any staff to re-enrol and ensure those who are eligible are added back into a pension scheme.

- This means assessing those staff who have left your pension scheme, or who have reduced their contributions into it (they are not considered as being members of a qualifying scheme).
- If you have any staff to re-enrol, they must be automatically enrolled into your pension scheme within six weeks of the re-enrolment date. Any re-enrolled staff should be sent an explanatory letter.

- Re-enrolled staff have one month in which they can opt out of your pension scheme.

Re-declaration

Employers must then complete and submit a re-declaration of compliance. This is required even if, as will often be the case, there is no need to re-enrol any staff. The re-declaration of compliance confirms that an employer has checked whether they need to re-enrol any of their staff, even if none were re-enrolled. The deadline is five months from the third anniversary of the staging date.

Also don't forget that you also still have ongoing duties to monitor your staff's ages and salary to see if they need to be enrolled into your pension scheme.

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